ANNUAL REPORT 1980-81

PUBLIC SERVICE MANAGEMENT PENSION BOARD

Alberta

The Public Service Management Pension Act

ISSN 0383-3674

NINTH ANNUAL STATISTICAL REPORT

of the proceedings of the

PUBLIC SERVICE MANAGEMENT PENSION BOARD

pursuant to

THE PUBLIC SERVICE MANAGEMENT PENSION ACT

for the year ended

March 31, 1981

Alberta

PROVINCIAL TREASURER

403/427-8809

323 Legislature Building
Edmonton, Alberta, Canada
T5K 2B6

To the Honourable FRANK C. LYNCH-STAUNTON

Lieutenant Governor of the Province of Alberta

MAY IT PLEASE YOUR HONOUR:

I have the honour to lay before you the Annual Reports of the proceedings of the Public Service Management Pension Board, pursuant to *The Public Service Management Pension Act* and *The M. L. A. Pension Act*, for the fiscal year ended March 31, 1981.

Lou Hyndman

MINISTER FOR PENSIONS

Alberta

GOVERNMENT PENSION BOARDS

403/427-7105

Office of
the Chairman

9811 - 109 Street
Sir Frederick W. Haultain Building
Edmonton, Alberta, Canada
T5K 0C8

The Honourable L. D. Hyndman
Provincial Treasurer
Minister for Pensions
Government of the Province of Alberta
Edmonton, Alberta.

Sir:

In accordance with *Section 37(1)* of *The Public Service Management Pension Act*, I have the privilege of submitting to you, the Annual Reports of the Public Service Management Pension Board, pursuant to *The Public Service Management Pension Act* and *The M.L.A. Pension Act* for the fiscal year ended March 31, 1981.

The assistance of the staff of the Payroll and Pensions Division of the Alberta Treasury is gratefully acknowledged.

Respectfully submitted,

J. E. Faries
CHAIRMAN OF THE BOARD

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PUBLIC SERVICE MANAGEMENT PENSION BOARD

BOARD CHAIRMAN

J. E. Faries
Chairman
Government Pension Boards

MEMBERS

Al Bredo (Retired)
Former Director
Finance, Statistics and
Legislation Branch

Tom A. Drinkwater
Deputy Minister
Recreation and Parks

Don Harford
Director
Management Services Division
Personnel Admin. Office

Roly G. McFarlane
Chief Deputy Minister
Department of Transportation

PUBLIC SERVICE MANAGEMENT PENSION ACT

REPORT ON THE ACTIVITIES OF THE BOARD AND THE OPERATION OF THE ACT

The Public Service Management Pension Board met a total of nine times during the fiscal year April 1, 1980 to March 31, 1981. At its meetings, the Board, in addition to determination of the application of the Public Service Management Pension Act in individual cases, dealt with the issues of applications by employers for participation in the plan, approval of Long Term Disability Income Continuance plans and reciprocal transfer agreements, etc. The Board received pension related concerns of the participants through employees and employers. The Board dealt with 47 individual cases of which 28 related to the purchase of prior service, 9 to transfers under the terms of reciprocal agreements and 5 to re-employment of pensioners.

The Chairman's office, on behalf of the Board, conducted seminars for employees and employer representatives participating in the plan. "Postscript" - a quarterly newsletter - is published to keep in touch with the retirees under the pension plan. Many positive responses have been received on the publication.

The average age of persons retiring under the plan, during the year, was 60 years and 3 months approximately.

Employment pensions have been the subject of a great deal of

study by governments and research institutions in the country. The mass media has devoted increasing amounts of attention to the subject. The Chairman's office continues to study these developments and participates in pension conferences e.g. National Pension Conference in Ottawa (March 11 - 13, 1981) so as to enable the Board to take proper account of the new developments.

The costs of pensions continue to be a major factor in the deliberations of the Board in its review of the operation of the Act. Recommendations for changes to the plan are made after careful consideration of the implications of the changes on the overall pension policy.

The functions related to the receipt of contributions and disbursement of benefits were assigned to the Payroll and Pensions Division of Alberta Treasury effective April 1, 1980. The following statistics are based on the information made available by them. Because of the transition, some of the statistics reported in the previous years are not available for this year.

CONTRIBUTIONS

During the period covered by this report, there were 4,024 contributors' accounts, including 189 accounts held on deposit, on behalf of the terminated employees.

Employee contributions amounting to $7,281,051 and employer contributions totalling $1,537,812, for a total sum of $8,818,863, were received for the fiscal year and deposited in the General Revenue Fund of the Province of Alberta.

REFUNDS

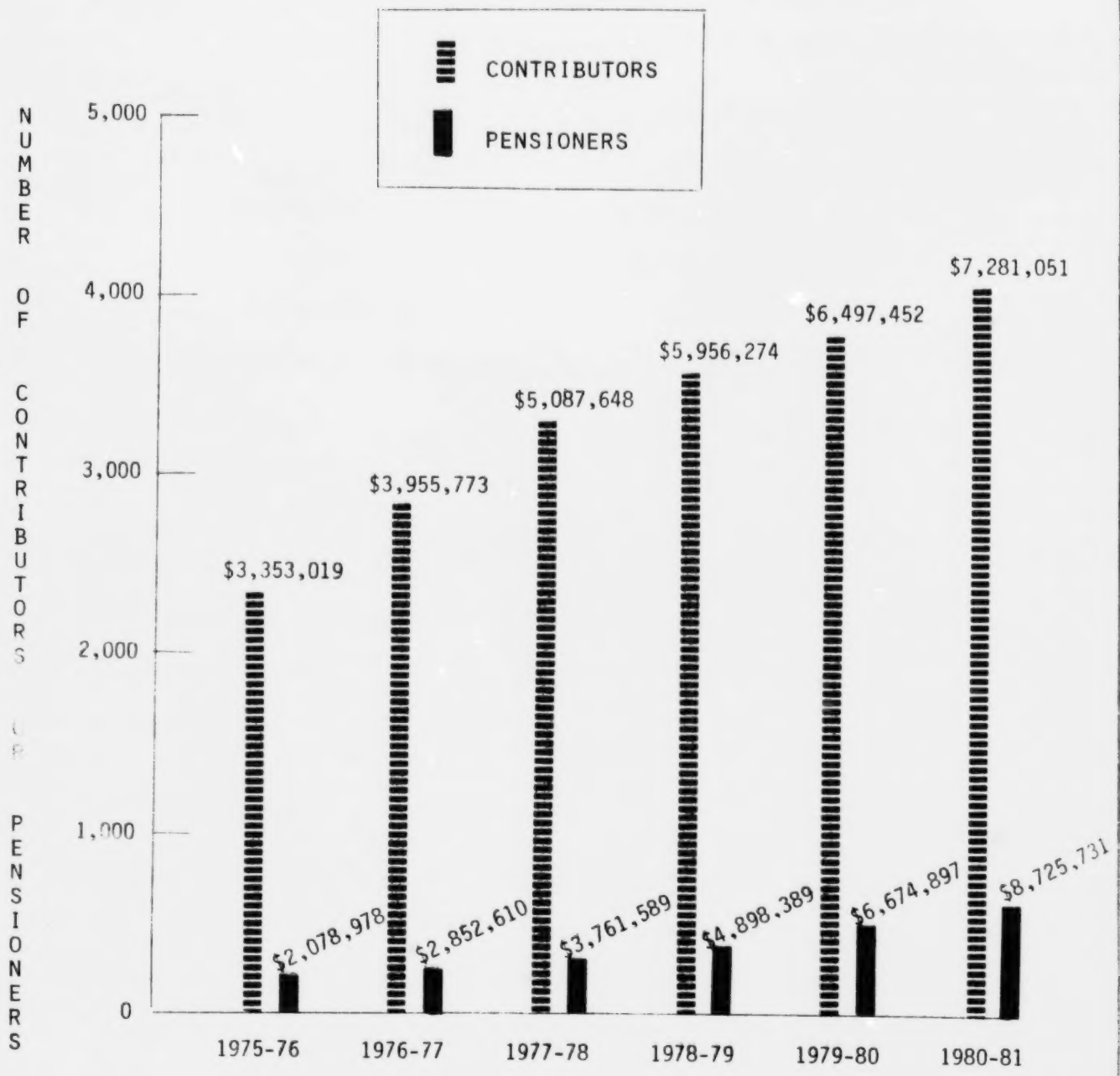
Refunds of contributions and interest to employees who had terminated their service amounted to $844,306, inclusive of transfers to other registered pension or retirement savings plans in the amount of $274,666. Refunds of excess employee and employer contributions totalled $36,307.

TRANSFERS

A sum of $179,201 was transferred to other pension plans under the terms of reciprocal agreements. Similar transfers received from other plans are included in the totals of employee and employer contributions received, and are not reflected separately. Details of book entry transfers with other Alberta plans are shown on page 8.

EMPLOYEE CONTRIBUTIONS vs PENSION PAYMENTS

5-YEAR COMPARISON



RETIREMENTS AND BENEFITS

One hundred and eleven retirement pensions were granted during the year, including six deferred pensions which commenced in the fiscal period.

Total pension payments during the year amounted to $8,725,731 in respect of 611 pensions in effect. Lump sum payments of $14,101 were made to the beneficiaries of the deceased employees.

Spouse's pensions were granted to the surviving spouses of five employees who died while still in service. Four of these pensions were co-ordinated with the Old Age Security.

Six pensioners died during the year. Five of the pensions were transferred to the surviving spouses while one pension expired.

PENSION ADJUSTMENT REGULATIONS

To provide a cost of living adjustment to pensions granted under the Act, *section 2* of *the Public Service Management Pension Adjustment Regulations*, being Alberta Regulation 16/73, as amended, was further amended to authorize the following adjustments to pensions effective January 1, 1981:

(a) pensions granted on or before January 1, 1980 were increased by 8.50%;

(b) pensions granted after January 1, 1980 but on or before February 1, 1980 were increased by 7.79%;

(c) pensions granted after February 1, 1980 but on or before March 1, 1980 were increased by 7.08%;

(d) pensions granted after March 1, 1980 but on or before April 1, 1980 were increased by 6.37%;

(e) pensions granted after April 1, 1980 but on or before May 1, 1980 were increased by 5.67%;

(f) pensions granted after May 1, 1980 but on or before June 1, 1980 were increased by 4.96%;

(g) pensions granted after June 1, 1980 but on or before July 1, 1980 were increased by 4.25%;

(h) pensions granted after July 1, 1980 but on or before August 1, 1980 were increased by 3.54%;

(i) pensions granted after August 1, 1980 but on or before September 1, 1980 were increased by 2.83%;

(j) pensions granted after September 1, 1980 but on or before October 1, 1980 were increased by 2.13%;

(k) pensions granted after October 1, 1980 but on or before November 1, 1980 were increased by 1.42%;

(l) pensions granted after November 1, 1980 but on or before December 1, 1980 were increased by 0.71%.

(Alberta Regulation 6/81)

RECIPROCAL TRANSFER AGREEMENTS

For the purpose of transferring pension credits on a reciprocal basis, the Public Service Management Pension Board had reciprocal agreements in effect with the following pension authorities as at March 31, 1981:

IN ALBERTA

Alberta Government Telephones Pension Board
Board of Administrators, Teachers' Retirement Fund
Local Authorities Pension Board
Public Service Pension Board
Universities Academic Pension Board

OUTSIDE ALBERTA

Government of Canada, Treasury Board)
Government of British Columbia)
Government of Manitoba) covering Federal and
Government of New Brunswick) Provincial Government
Government of Ontario) employees
Government of Prince Edward Island)
Government of Saskatchewan)
Council of Maritime Premiers
Board of Governors, Dalhousie University
Board of Governors, University of Regina
Board of Governors, Ontario Colleges of Applied Arts and Technology
Ontario Municipal Employees' Retirement System
Saskatchewan Health Care Association
Saskatchewan Municipal Employees' Superannuation Commission
Saskatchewan Power Corporation Superannuation Board
Saskatchewan Teachers' Superannuation Commission
Central Mortgage and Housing Corporation
Crown Investments Corporation of Saskatchewan
Federal Business Development Bank
Health Sciences Centre of Manitoba
Ontario Teachers' Superannuation Commission
Regina Civic Employees Superannuation and Benefits Plan

REFUNDS

	Amount
Refunds of contributions and interest to employees leaving the service	$569,640
(Section 27 of the Act)	
Refunds of contributions and interest by transfer to R.R.S.P.'s, etc.	$274,666
Refunds of excess employee and employer contributions	$ 36,307

TRANSFERS

The following book entry transfers were made under reciprocal agreements, between the Public Service Management Pension Plan and other Alberta Government pension plans:

Pension Plan	From Management Plan	To Management Plan
Public Service Pension Plan	$229,129.20	$1,153,213.17
Local Authorities Pension Plan	371,061.04	155,068.64
Universities Acad. Pension Plan	32,597.41	-
M.L.A. Pension Plan	-	6,186.44
Totals	$632,787.65	$1,314,468.25

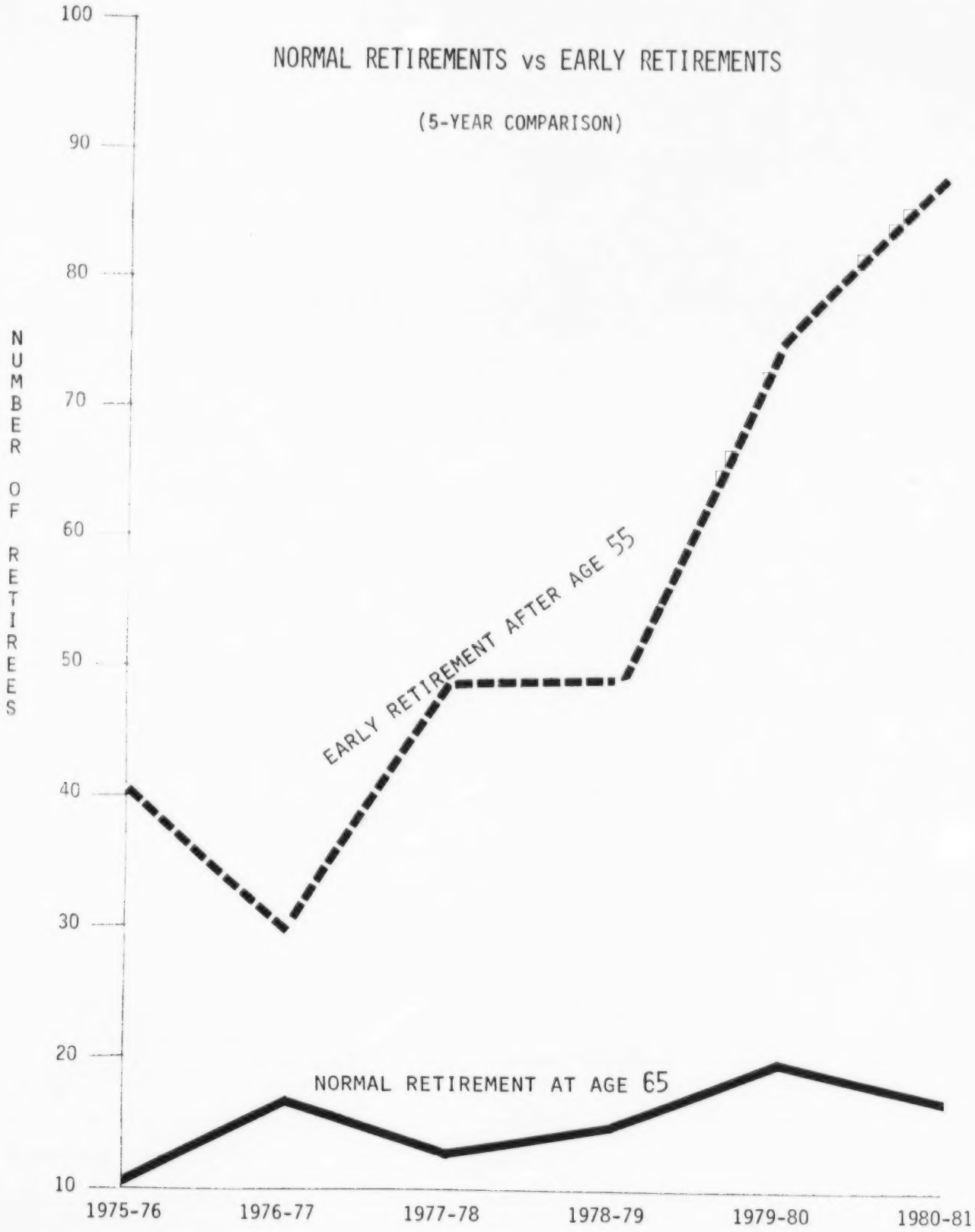
RETIREMENTS

Normal retirement at age 65 (*Section 9(1) of the Act*)	17
Early retirement after age 55 (*Section 10 of the Act*)	88
Total retirements	105
Deferred pensions commenced during the year	6
Pensions co-ordinated with the Canada Pension and/or Old Age Security	75

PENSIONS

Pensions in effect at March 31, 1981:

Normal Pension	545
Guaranteed Term Pension - 5 years	6
Guaranteed Term Pension - 10 years	7
Guaranteed Term Pension - 15 years	9
Guaranteed Term Pension - 20 years	7
Spouse's Pension - Single Life	11
Spouse's Pension - Guaranteed 5 years	6
Spouse's Pension - Guaranteed 10 years	3
Spouse's Pension - Guaranteed 15 years	3
Spouse's Pension - Guaranteed 20 years	14
Total Number of Pensions in effect	611
Number of Pensions co-ordinated with Canada Pension and/or the Old Age Security	347


NORMAL RETIREMENTS vs EARLY RETIREMENTS
(5-YEAR COMPARISON)
NUMBER OF RETIREES
100
90
80
70
60
50
40
30
20
10
EARLY RETIREMENT AFTER AGE 55
NORMAL RETIREMENT AT AGE 65
1975-76
1976-77
1977-78
1978-79
1979-80
1980-81

DOLLAR VALUE OF PENSIONS

Monthly dollar value of pensions at March 31, 1981:

Dollar Value per Month	Number of Pensions
0 to 100	2
100 to 200	1
200 to 300	9
300 to 400	16
400 to 500	16
500 to 600	18
600 to 700	25
700 to 800	39
800 to 900	33
900 to 1,000	30
1,000 to 1,100	33
1,100 to 1,200	23
1,200 to 1,300	35
1,300 to 1,400	35
1,400 to 1,500	40
1,500 to 2,000	157
Over 2,000	99
	611

The lowest pension paid at March 31, 1981 was $32.60; the highest was $3,519.82. The average dollar value of pensions at March 31, 1981 was $1,378.17.

COMPARATIVE STATISTICS

July 1, 1972 to March 31, 1981

FISCAL YEAR	RECEIPTS			PAYMENTS			EXCESS OF RECEIPTS OVER PAYMENTS
	Employee Contributions	Employer Contributions	TOTAL	Benefits	Withdrawals	TOTAL	
1972-73	$ 937,801.84	$ 22,447.49	$ 960,249.33	$ 170,818.97	$ 23,716.21	$ 194,535.18	$ 765,714.15
1973-74	2,457,987.90	189,407.66	2,647,395.56	686,177.63	55,688.47	741,866.10	1,905,529.46
1974-75	2,086,692.14	227,948.40	2,314,640.54	1,309,532.88	226,885.78	1,536,418.66	778,221.88
1975-76	3,353,018.70	354,163.93	3,707,182.63	2,078,978.29	194,699.63	2,273,677.92	1,433,504.71
1976-77	3,955,773.16	470,146.03	4,425,919.19	2,852,609.74	306,577.64	3,159,187.38	1,266,731.81
1977-78	5,087,647.79	941,777.48	6,029,425.27	3,901,550.04	375,637.74	4,277,187.78	1,752,237.49
1978-79	5,956,274.45	1,104,855.41	7,061,129.86	4,910,598.50	641,729.25	5,552,327.75	1,508,802.11
1979-80	6,497,451.98	2,256,050.28	8,753,502.26	6,716,729.36	934,485.17	7,651,214.53	1,102,287.73
1980-81	7,281,051.00	1,537,812.00	8,818,863.00	8,739,832.00	1,059,814.00	9,799,646.00	- 980,783.00
TOTALS	$37,613,698.96	$7,104,608.68	$44,718,307.64	$31,366,827.41	$3,819,233.89	$35,186,061.30	$ 9,532,246.34

PUBLIC SERVICE MANAGEMENT PENSION ACT

SUMMARY OF REVENUE AND EXPENDITURE TRANSACTIONS

for the year ended 31-MAR-81

REVENUE	
Contributions:	
Employees	$7,281,051
Employers	1,537,812
	$8,818,863
EXPENDITURE	
Benefits under the Act:	
Pensions and annuities	$8,725,731
Payment to beneficiaries	14,101
	$8,739,832
Withdrawals:	
Contributions and interest in respect of employees leaving the service	$ 569,640
Contributions and interest in respect of employees transferred to other pension authorities without reciprocal agreements	274,666
Contributions and interest in respect of employees transferred to other pension authorities with reciprocal agreements	179,201
Refund of excess contributions	36,307
	$1,059,814
	$9,799,646
Excess of expenditure over revenue for the year	$ 980,783

PUBLIC SERVICE MANAGEMENT PENSION ACT

NOTE TO THE SUMMARY OF TRANSACTIONS

March 31, 1981

Transfers:

The following contributions and interest were transferred by book entry and are not reflected in the summary of transactions:

Transfers to:

Public Service Pension Act	$ 229,129.20
Local Authorities Pension Act	371,061.04
Universities Academic Pension Act	32,597.41
	$ 632,787.65

Transfers from:

Public Service Pension Act	$1,153,213.17
Local Authorities Pension Act	155,068.64
M. L. A. Pension Act	6,186.44
	$1,314,468.25

The M. L. A. Pension Act

ISSN 0705-9426

TWELFTH ANNUAL STATISTICAL REPORT

of the proceedings of the

PUBLIC SERVICE MANAGEMENT PENSION BOARD

pursuant to

THE M.L.A. PENSION ACT

for the year ended

March 31, 1981

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THE M. L. A. PENSION ACT

CONTRIBUTIONS

During the period covered by this report, there were 108 accounts in respect of the Members of the Legislative Assembly, under Parts 1, 2 and 3 of *The M. L. A. Pension Act*. Pension contributions by Members during the year totalled $265,818.

RETIREMENTS AND BENEFITS

Two pensions were granted, during the year, under Part 3 of the Act.

As of March 1981, there were 76 pensioners, including the beneficiaries of the deceased Members or pensioners, in receipt of 113 pensions granted under Parts 1, 2 and/or 3 of the Act. Twenty-eight of the 113 pensions were co-ordinated with Canada Pension and/or the Old Age Security.

Total pension payments, during the year, amounted to $820,977.

PENSION ADJUSTMENT REGULATIONS

To provide a cost of living adjustment to pensions granted under the Act, *Section 4* of *The M.L.A. Pension Adjustment Regulations*, being Alberta Regulation 305/69, was amended to authorize the following adjustments effective January 1, 1981:

(a) pensions granted on or before January 1, 1980 were increased by 8.50%;

(b) pensions granted after January 1, 1980 but on or before February 1, 1980 were increased by 7.79%;

(c) pensions granted after February 1, 1980 but on or before March 1, 1980 were increased by 7.08%;

(d) pensions granted after March 1, 1980 but on or before April 1, 1980 were increased by 6.37%;

(e) pensions granted after April 1, 1980 but on or before May 1, 1980 were increased by 5.67%;

(f) pensions granted after May 1, 1980 but on or before June 1, 1980 were increased by 4.96%;

(g) pensions granted after June 1, 1980 but on or before July 1, 1980 were increased by 4.25%;

(h) pensions granted after July 1, 1980 but on or before August 1, 1980 were increased by 3.54%;

(i) pensions granted after August 1, 1980 but on or before September 1, 1980 were increased by 2.83%;

(j) pensions granted after September 1, 1980 but on or before October 1, 1980 were increased by 2.13%;

(k) pensions granted after October 1, 1980 but on or before November 1, 1980 were increased by 1.42%;

(l) pensions granted after November 1, 1980 but on or before December 1, 1980 were increased by 0.71%.

(Alberta Regulation 5/81)

PENSIONS

Pensions in force as at March 31, 1981:

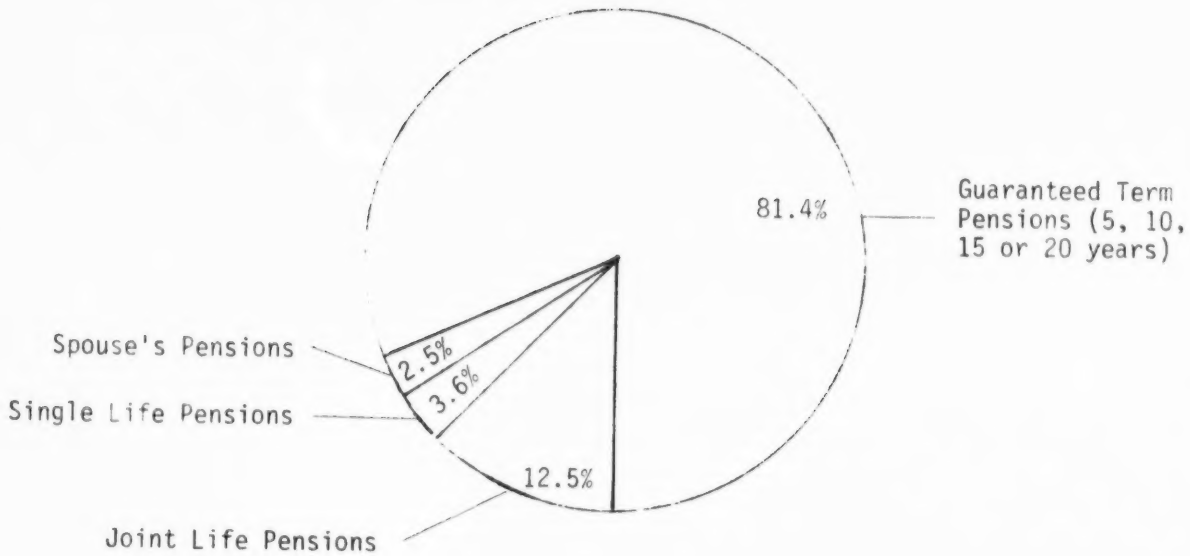
Under Part 1 of the Act (*Members of the Legislative Assembly*)	70
Inder Part 2 of the Act (*Members of the Executive Council*)	38
Under Part 3 of the Act (*Speaker, Deputy Speaker and the Leader of the Opposition*)	5
	113

Types of pensions in force at March 31, 1981:

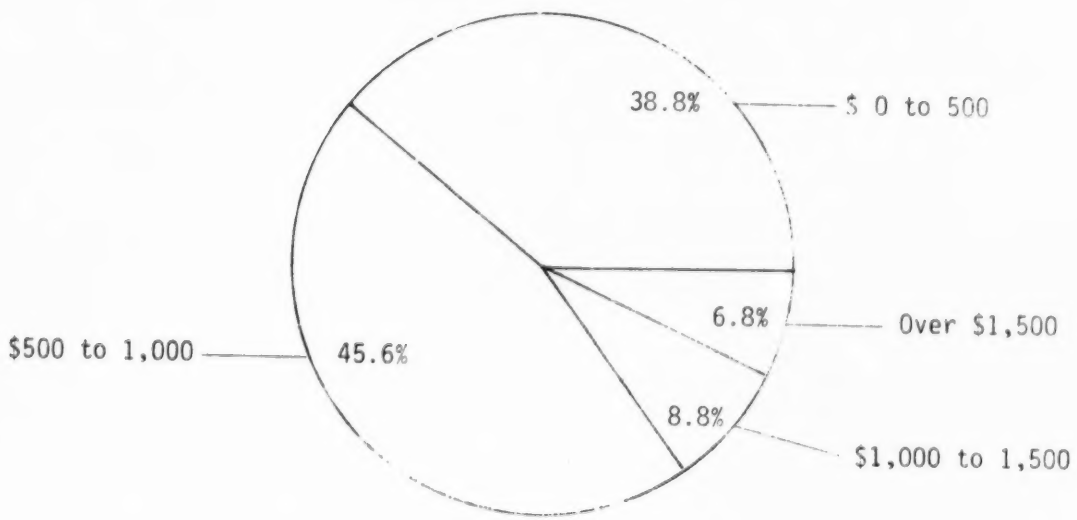
Normal Pension	46
Single Life Pension	4
Guaranteed Term Pension - 10 years	16
Guaranteed Term Pension - 15 years	7
Guaranteed Term Pension - 20 years	23
Joint Life Pension	9
Joint Life Pension - Reducible by 1/3 at first death	3
Joint Life Pension - Reducible by 1/2 at first death	2
Surviving Spouse Pension - Guaranteed Term 10 years	1
Surviving Spouse Pension - Guaranteed Term 20 years	2
	113

DISTRIBUTION OF PENSIONS

BY TYPES



BY DOLLAR VALUE



DOLLAR VALUE OF PENSIONS

Monthly dollar value of pension cheques at March 1981:

DOLLAR VALUE	NUMBER
0 to 100	1
100 to 200	1
200 to 300	9
300 to 400	17
400 to 500	12
500 to 600	12
600 to 700	8
700 to 800	13
800 to 900	7
900 to 1,000	7
1,000 to 1,100	5
1,100 to 1,200	2
1,200 to 1,300	0
1,300 to 1,400	2
1,400 to 1,500	0
1,500 to 2,000	3
Over 2,000	4
	103*

This is the number of pension cheques issued at March 1981 and NOT the number of pensions in force. The number of cheques issued is smaller, as some pensioners are drawing one consolidated cheque for their pension entitlement under Parts 1, 2 and/or 3 of the Act.

The lowest pension at March 1981 was $39.37 and the highest was $2,448.41. The average dollar value of pensions was $642.80 per month.

COMPARATIVE STATISTICS

April 1, 1969 to March 31, 1981

FISCAL YEAR	RECEIPTS			PAYMENTS			EXCESS OF PAYMENTS OVER RECEIPTS
	Employee Contributions	Employer Contributions	TOTAL	Benefits	Withdrawals	TOTAL	
1969-70	$ 35,389.30	-	$ 35,389.30	$ 53,995.44	$ 4,588.09	$ 58,583.53	$ 23,194.23
1970-71	39,815.53	-	39,815.53	58,973.42	5,350.78	64,324.20	24,508.67
1971-72	66,474.71	-	66,474.71	185,914.40	14,186.15	200,100.55	133,625.84
1972-73	87,603.29	-	87,603.29	264,453.36	3,731.13	268,184.49	180,581.20
1973-74	101,011.86	-	101,011.86	278,276.89	1,931.32	280,208.21	179,196.35
1974-75	109,666.52	-	109,666.52	287,317.48	4,063.51	291,380.99	181,714.47
1975-76	142,849.77	-	142,849.77	424,788.31	1,199.34	425,987.65	283,137.88
1976-77	129,092.46	-	129,092.46	449,087.82	-	449,087.82	319,995.36
1977-78	134,618.88	-	134,618.88	469,422.89	125.19	469,548.08	334,929.20
1978-79	189,429.05	-	189,429.05	575,727.96	3,597.48	579,325.44	389,896.39
1979-80	222,927.96	-	222,927.96	762,904.16	-	762,904.16	539,976.20
1980-81	265,818.00	-	265,818.00	820,977.00	441.00	821,418.00	555,600.00
TOTALS	$1,524,697.33	-	$1,524,697.33	$4,631,839.13	$39,213.99	$4,671,053.12	$3,146,355.79

M. L. A. PENSION ACT

SUMMARY OF REVENUE AND EXPENDITURE TRANSACTIONS

for the year ended 31-MAR-81

REVENUE	
Contributions:	
Members of the Legislative Assembly	$265,818
	$265,818
EXPENDITURE	
Benefits:	
Pensions and annuities	$820,977
	$820,977
Withdrawals:	
Refund of excess contributions	441
	$ 441
	$821,418
Excess of expenditure over revenue	$555,600

M. L. A. PENSION ACT

NOTE TO THE SUMMARY OF TRANSACTIONS

March 31, 1981

Transfers:

The following contributions and interest were transferred by book entry and are not reflected in the summary of transactions:

Transferred from:

Public Service Pension Act	$10,432.19
Public Service Management Pension Act	6,186.44
	$16,618.63